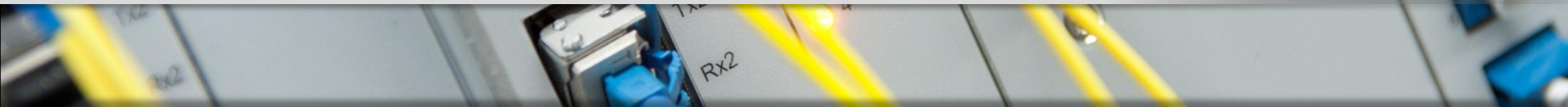




NBN Co 2012–15 Corporate Plan Briefing

8 August 2012



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NBN Co

Disclaimer

This document sets out NBN Co's proposals in respect of certain aspects of the National Broadband Network. The contents of this document represent NBN Co's current position on the subject matter of this document. The contents of this document should not be relied upon by our stakeholders (or any other person) as representing NBN Co's final position on the subject matter of this document, except where stated otherwise. NBN Co's position on the subject matter of this document may also be impacted by legislative and regulatory developments in respect of the National Broadband Network.

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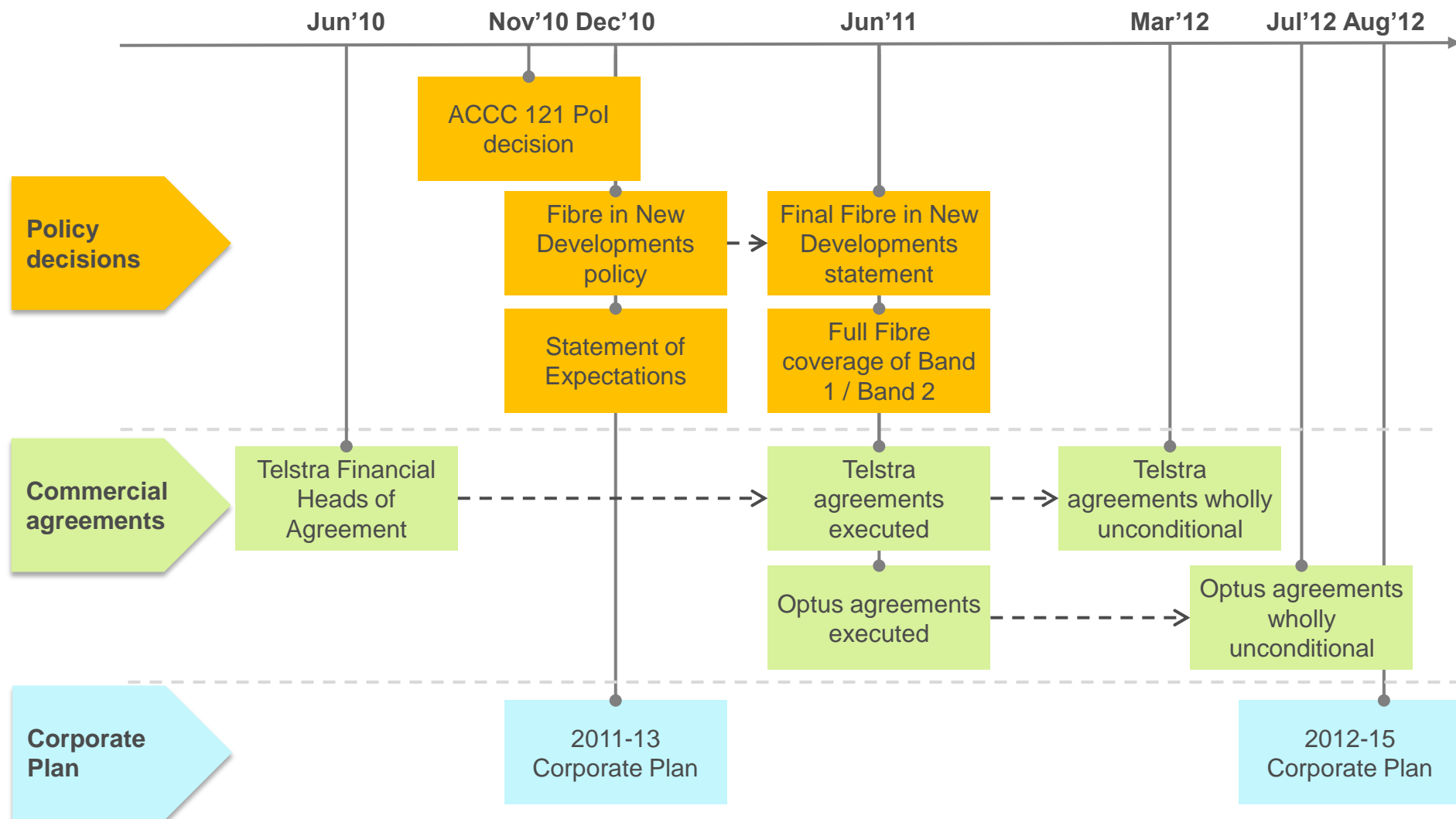


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2012-15 Corporate Plan highlights

- Our plan is to connect all Australians to high-speed broadband over the remaining 9 years of this 10 year project
- Construction Commenced or Completed for approximately 758,000 Fibre premises by December 2012
- The Internal Rate of Return remains above 7% per annum
- Total forecast Capital Expenditure to end of the Fibre Construction period increased by 3.9%
- Wholesale broadband prices are projected to fall over time in both real and nominal terms

Timeline



Major changes

The 2012-15 Corporate Plan incorporates the following major changes when compared to the 2011-13 Corporate Plan:

A. Changes in scope :

- Inclusion of Optus HFC Agreement
- Impact of implementing a number of policy decisions

B. Other changes :

- Commencement Date (ACCC approval) of the NBN Co / Telstra Definitive Agreements 9 months after signing
- Increased Telstra infrastructure usage
- Earlier investment in Customer Connect with NBN Co planning to use a more efficient 'Build Drop' strategy

Major changes

(\$ Billion) (Nominal Dollars)

Type of Changes	Forecast Capital Expenditure (to End Construction)	Forecast Operating Expenditure (to FY2021)	Forecast Revenues (to FY2021)
A. Changes in Scope	+ \$1.7 billion	+ \$2.2 billion	+ \$2.0 billion
B. Other Changes	\$(0.3) billion	+ \$1.1 billion	\$(2.6) billion
Total Changes	+ \$1.4 billion	+ \$3.2 billion	\$(0.6) billion

Source: NBN Co Exhibit 1-2

Note: All numbers rounded to 1 decimal point

Comparison 2011-13 vs. 2012-15 Corporate Plan

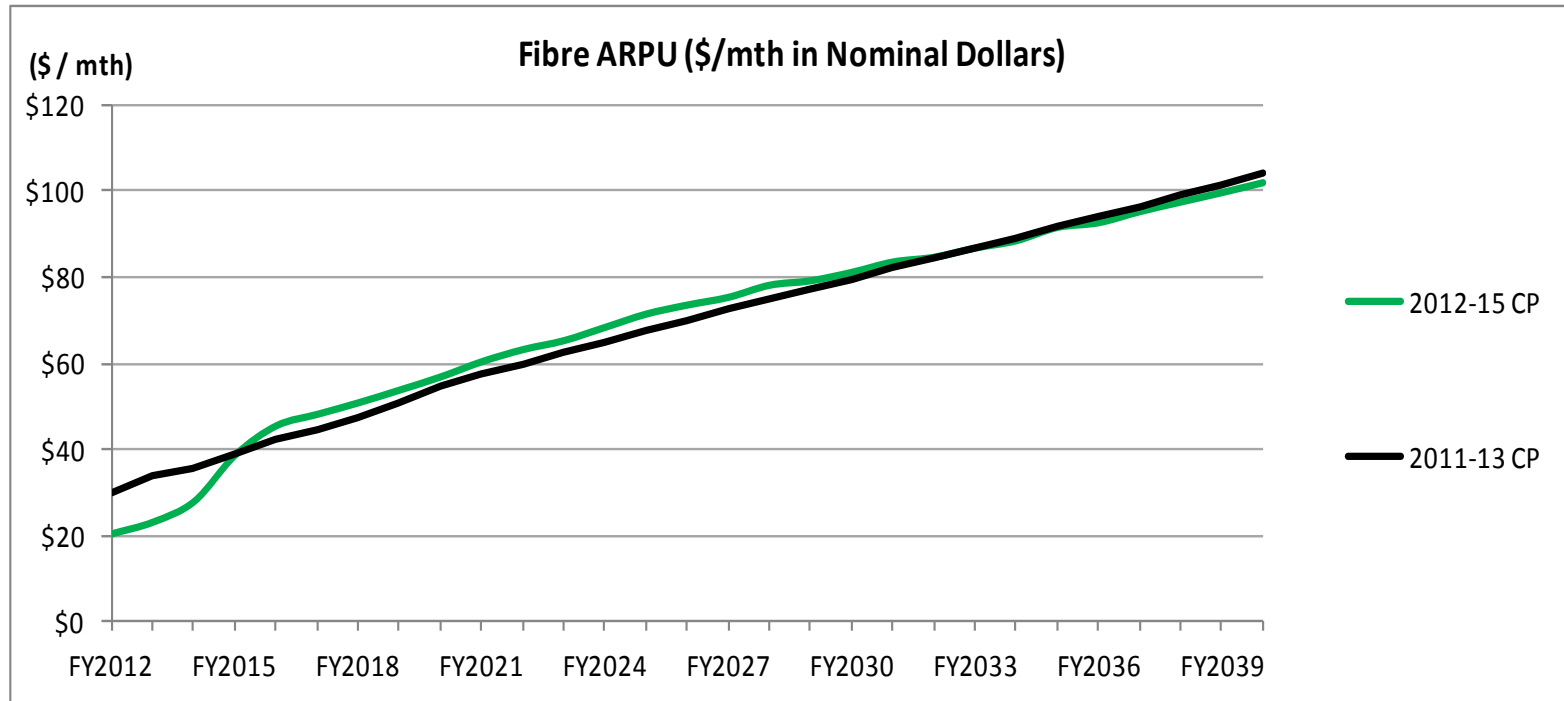
(\$ Billion) (Nominal Dollars)

Major Assumptions and Forecast Financial Metrics	2011-13 Corporate Plan	2012-15 Corporate Plan	Change
Internal Rate of Return	7.0%	7.1%	+0.1%
Capital Expenditure (to End Construction)	\$35.9 billion (to Dec'20)	\$37.4 billion (to Jun'21)	+\$1.4 billion
Revenues (to FY2021)	\$23.7 billion	\$23.1 billion	\$(0.6) billion
Operating Expenditure (to FY2021)	\$23.2 billion	\$26.4 billion	+\$3.2 billion

Source: NBN Co Exhibit 1-1

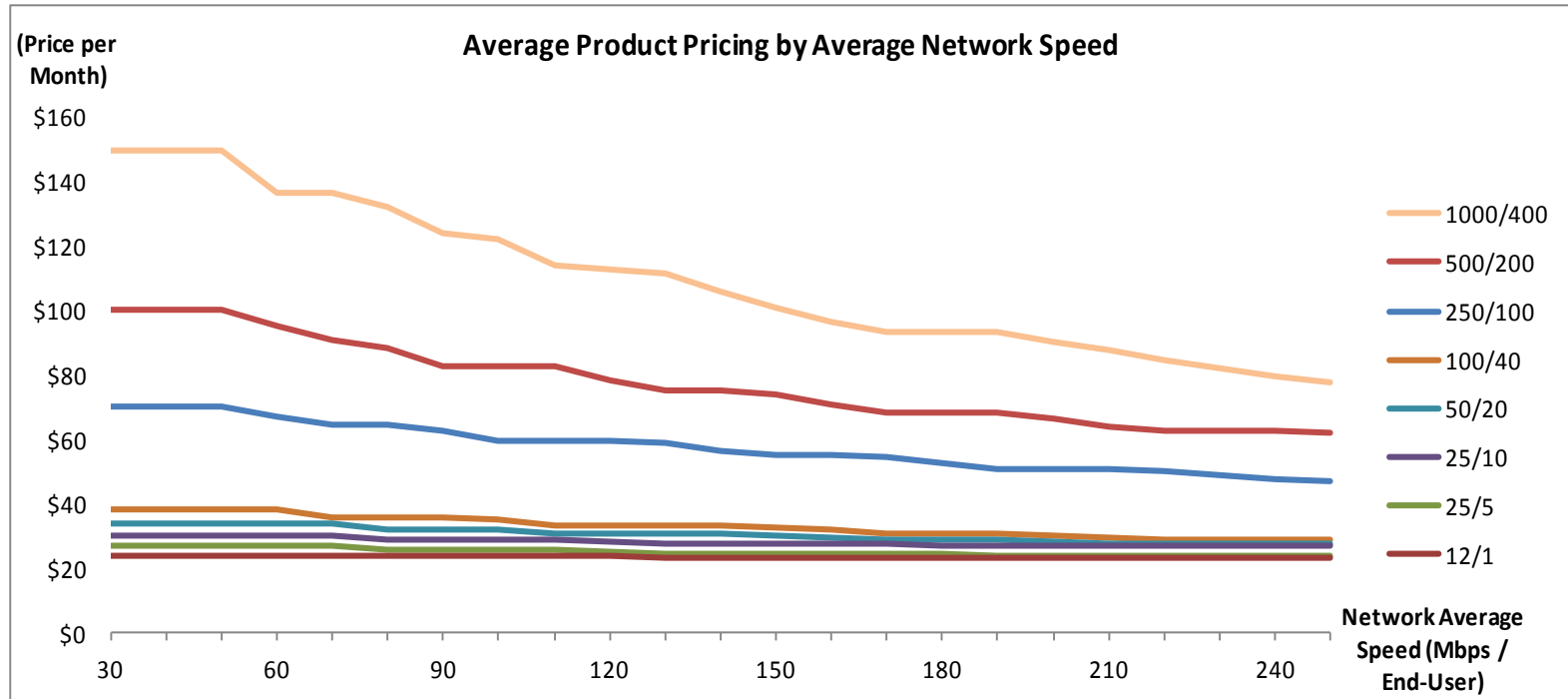
Note: IRR: Internal Rate of Return. All numbers rounded to 1 decimal point

Forecast Average Revenue Per User (\$/Month) (Nominal Dollars)



Source: NBN Co Exhibit 8-11

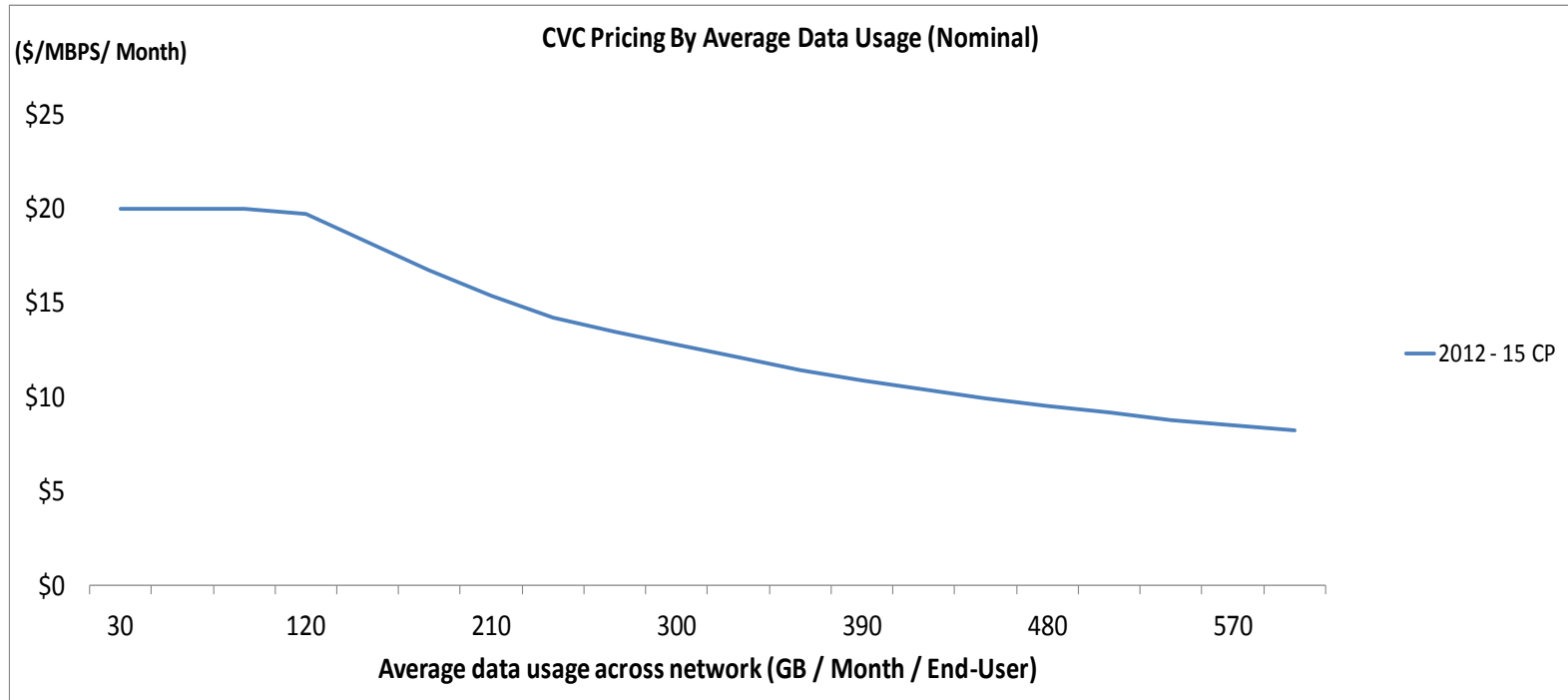
Forecast AVC pricing (Nominal Dollars)



Source: NBN Co Exhibit 8-8

Note: See footnote 11 in the 2012-15 Corporate Plan in relation to factors affecting End-User speeds.

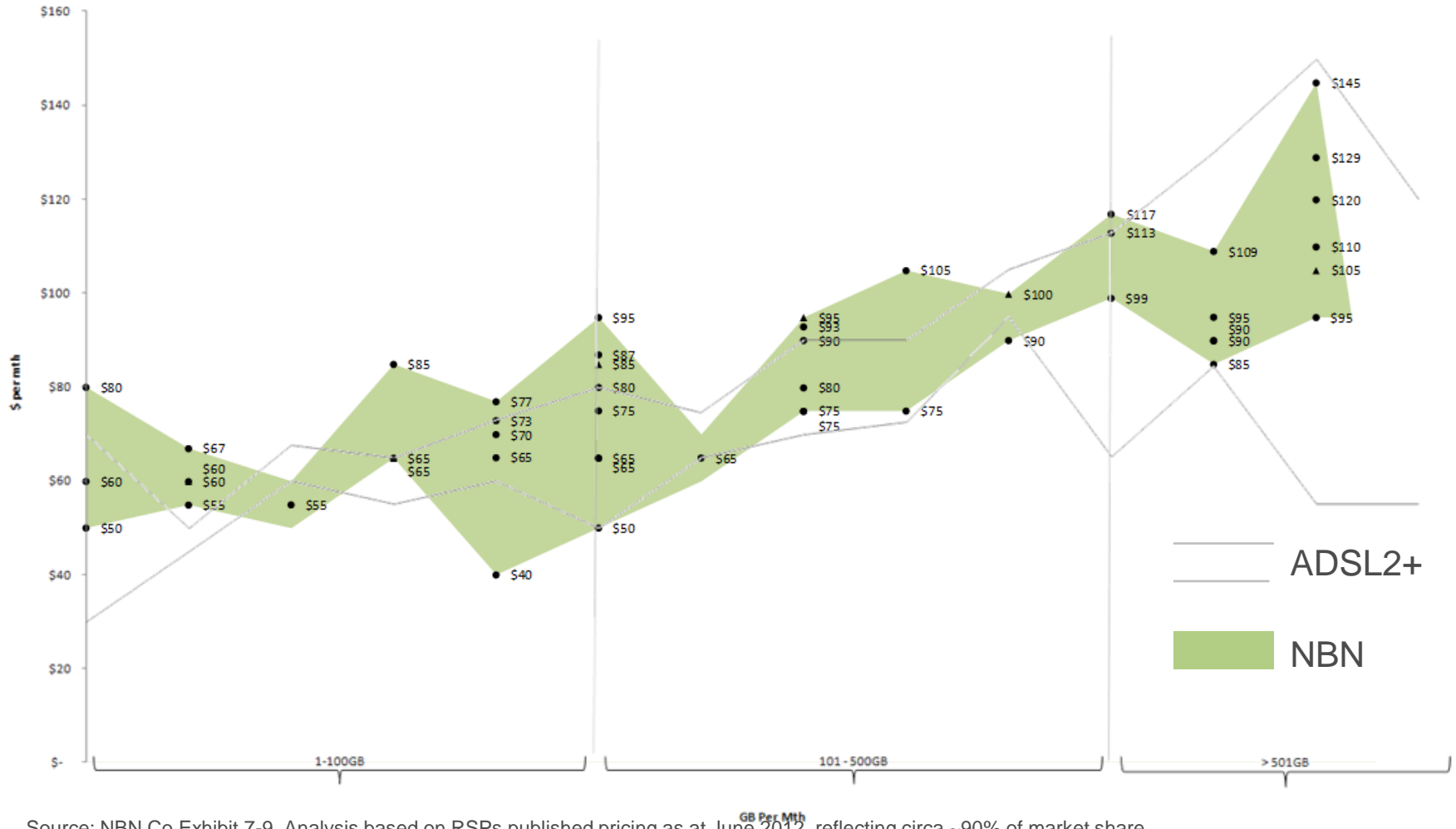
Forecast CVC pricing (Nominal Dollars)



Source: NBN Co Exhibit 8-9

Comparative bundled pricing NBN retail

25/5Mbps - ADSL 2+

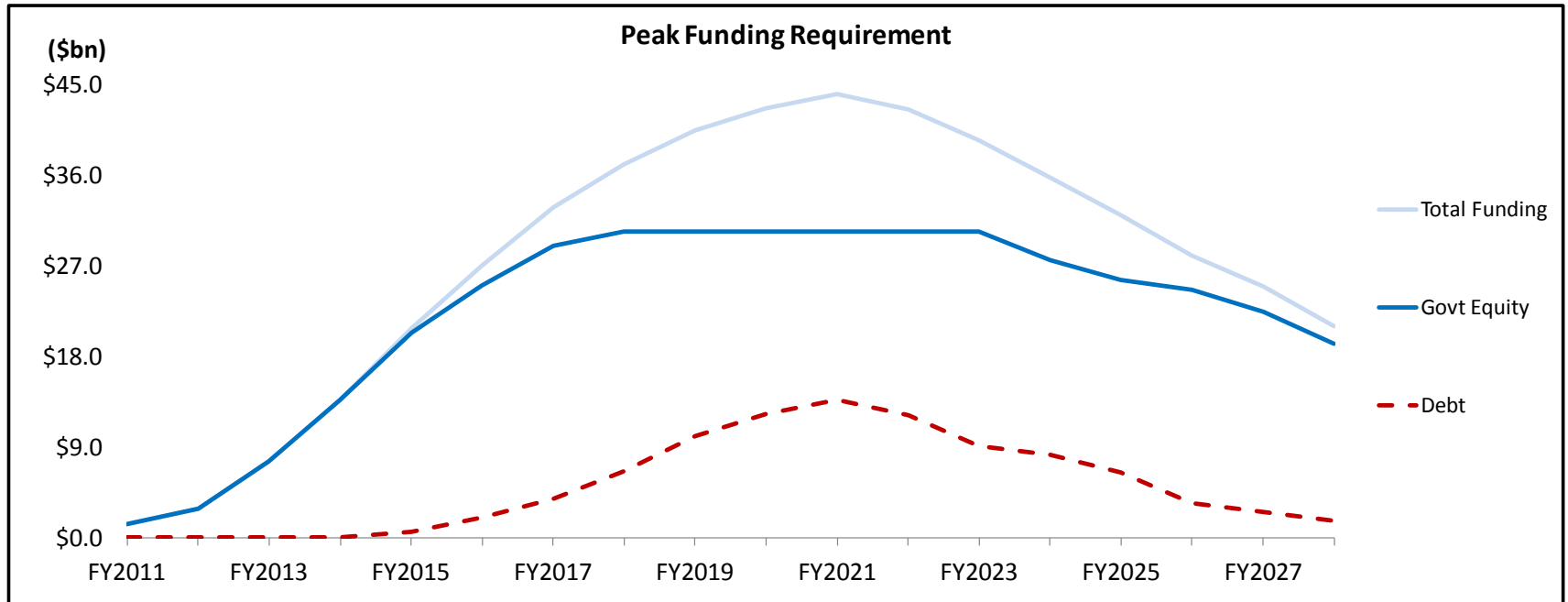


Source: NBN Co Exhibit 7-9, Analysis based on RSPs published pricing as at June 2012, reflecting circa ~90% of market share

Note: *The shaded Green area represents the range of bundled NBN plans in the market at the indicated speed tier.

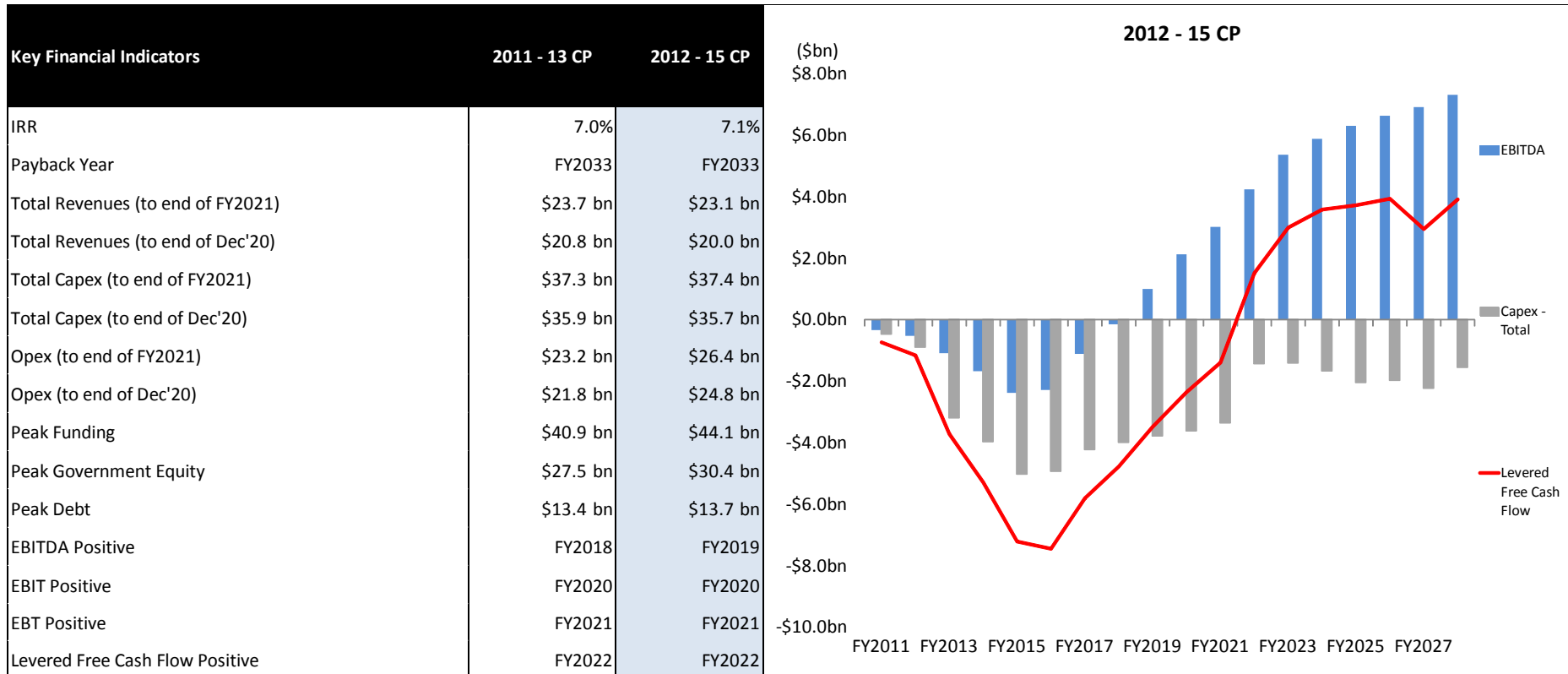
**The range of bundled ADSL plan price points in the market are depicted by the area between the 2 solid lines on the chart.

Forecast funding (Nominal Dollars)



Source: NBN Co Exhibit 9-10

Forecast key financial indicators (Nominal Dollars)



Source: NBN Co Exhibit 9.4

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Bringing broadband to life